



AGENDA ITEM EXECUTIVE SUMMARY

Title: Implementation of Disconnect Notice Fee on Delinquent Utility Bills

Presenter: Chris Minick, Finance Director

Please check appropriate box:

X	Government Operations (7/18/11)		Government Services
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:	N/A	Budgeted:	YES		NO	
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If NO, please explain how item will be funded:

Executive Summary:

When a utility billing account is in a delinquent state utility customers are sent a notice on their subsequent utility bill that full payment is due by the due date. If the customer does not pay, the Utility Billing office sends out a separate disconnect notice. Disconnect notices are also sent if a deposit is requested and not paid or resolved, if an application is not completed as requested, and/or if a payment is returned by bank unpaid. Prior to sending out disconnect notices; the affected accounts are manually analyzed to make sure the notice is not in error. The disconnect notices are created, printed, folded, and mailed. Frequently, the customer is also called prior to service disconnection because the disconnect notice is ignored. A large group of customers receiving disconnect notices are repeat offenders and typically wait until they receive the disconnect notice or the reminder call. The process is inefficient and labor intensive.

The process to analyze, prepare, and mail the disconnect notices is an additional step in the routine utility billing cycle. The objective of this fee would be to reduce the number of disconnect notices that are sent and the additional labor and supplies costs which are incurred as a result of the process. Approximately 200 customers receive disconnect notices in a month.

The disconnect notice fee would begin at \$20 for the first disconnect notice, \$35 for the second disconnect notice, and \$50 for all subsequent disconnect notices. A policy allowing Utility Billing to waive the first fee as a courtesy in the event of extenuating circumstances would be implemented. The cities of Batavia and Geneva charge a fee similar to what is proposed.

If utility service is ultimately terminated because the account remains unpaid after the date specified on the disconnect notice, the reconnection fee (currently \$92) would still apply and be due before service is restored.

Attachments: *(please list)*

Ordinances

Recommendation / Suggested Action *(briefly explain):*

A motion to recommend that the City Council authorize amendments to the attached sections of City Code Titles 3, 8, and 13 to implement a disconnect notice fee on delinquent utility bills

For office use only:

Agenda Item Number: 6a

City of St. Charles, Illinois
Ordinance No. _____

**An Ordinance Amending Title 3 “REVENUE AND FINANCE,”
Chapter 3.38 “Yard Waste User Fee,” by adding 3.38.045, “Disconnect
Notice Fee,” of the St. Charles Municipal Code**

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, AS
FOLLOWS:

1. That Title 3, “Revenue and Finance,” Chapter 3.38 “Yard Waste User Fee,” of the
St. Charles Municipal Code, be and is hereby amended by adding the following
therefore:

3.38.045 Disconnect Notice Fee.

**If it is determined that a notice of disconnection of service shall be issued to a
customer due to utility charges being over 30 days past due, a payment being
returned unpaid by a bank, a deposit not being paid by the due date, and/or a
violation of the terms of this Code, an additional fee (a disconnect notice fee) will be
charged. This fee will escalate based on the number of disconnect notices previously
issued to the customer in the last twelve months. The disconnect notice fee schedule
is \$20.00 for the first notice, \$35.00 for the second notice, and \$50.00 for any
subsequent notices.**

2. That after the adoption and approval hereof the Ordinance shall (i) be printed or
published in book or pamphlet form, published by the authority of the Council, or (ii)
within thirty (30) days after the adoption and approval hereof, be published in a
newspaper published in and with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Illinois, this _____
day of _____ 2011.

PASSED by the City Council of the City of St. Charles, Illinois, this _____ day of
_____ 2011.

APPROVED by the Mayor of the City of St. Charles, Illinois, this _____ day of
_____ 2011.

Donald P. DeWitte, Mayor

Ordinance No. _____

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ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

APPROVED AS TO FORM:

City Attorney

DATE: _____

City of St. Charles, Illinois
Ordinance No. _____

**An Ordinance Amending Title 8 “HEALTH AND SAFETY,”
Chapter 8.24 “Garbage and Refuse,” by adding 8.24.115, “Disconnect
Notice Fee,” of the St. Charles Municipal Code**

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, AS
FOLLOWS:

1. That Title 8, “Health and Safety,” Chapter 8.24 “Garbage and Refuse,” Section 8.24.115,
“**Disconnect Notice Fee**,” of the St. Charles Municipal Code, be and is hereby amended
by the addition of the following therefore:

8.24.115 Disconnect Notice Fee.

If it is determined that a notice of disconnection of service shall be issued to a customer due to utility charges being over 30 days past due, a payment being returned unpaid by a bank, a deposit not being paid by the due date, and/or a violation of the terms of this Code, an additional fee (a disconnect notice fee) will be charged. This fee will escalate based on the number of disconnect notices previously issued to the customer in the last twelve months. The disconnect notice fee schedule is \$20.00 for the first notice, \$35.00 for the second notice, and \$50.00 for any subsequent notices.

2. That after the adoption and approval hereof the Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Illinois, this _____
day of _____ 2011.

PASSED by the City Council of the City of St. Charles, Illinois, this _____ day of
_____ 2011.

APPROVED by the Mayor of the City of St. Charles, Illinois, this _____ day of
_____ 2011.

Donald P. DeWitte, Mayor

Ordinance No. _____

Page 2

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

APPROVED AS TO FORM:

City Attorney

DATE: _____

City of St. Charles, Illinois
Ordinance No. _____

**An Ordinance Amending Title 13 “PUBLIC UTILITIES,”
Chapter 13.08 “Electricity,” by adding Section 13.08.185, “Disconnect
Notice Fee” of the St. Charles Municipal Code**

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, AS FOLLOWS:

1. That Title 13, “Public Utilities,” Chapter 13.08 “Electricity,” of the St. Charles Municipal Code, be and is hereby amended by adding the following therefore:

13.08.185 Disconnect Notice Fee.

If it is determined that a notice of disconnection of service shall be issued to a customer due to utility charges being over 30 days past due, a payment being returned unpaid by a bank, a deposit not being paid by the due date, and/or a violation of the terms of this Code, an additional fee (a disconnect notice fee) will be charged. This fee will escalate based on the number of disconnect notices previously issued to the customer in the last twelve months. The disconnect notice fee schedule is \$20.00 for the first notice, \$35.00 for the second notice, and \$50.00 for any subsequent notices.

2. That after the adoption and approval hereof the Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2011.

PASSED by the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2011.

APPROVED by the Mayor of the City of St. Charles, Illinois, this _____ day of _____ 2011.

Donald P. DeWitte, Mayor

Ordinance No. _____

Page 2

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

APPROVED AS TO FORM:

City Attorney

DATE: _____

City of St. Charles, Illinois
Ordinance No. _____

**An Ordinance Amending Title 13 “PUBLIC UTILITIES,”
Chapter 13.16 “Water,” by adding Section 13.16.215, “Disconnect Notice
Fee” of the St. Charles Municipal Code**

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, AS FOLLOWS:

1. That Title 13, “Public Utilities,” Chapter 13.16 “Water,” of the St. Charles Municipal Code, be and is hereby amended by adding the following therefore:

13.16.215 Disconnect Notice Fee.

If it is determined that a notice of disconnection of service shall be issued to a customer due to utility charges being over 30 days past due, a payment being returned unpaid by a bank, a deposit not being paid by the due date, and/or a violation of the terms of this Code, an additional fee (a disconnect notice fee) will be charged. This fee will escalate based on the number of disconnect notices previously issued to the customer in the last twelve months. The disconnect notice fee schedule is \$20.00 for the first notice, \$35.00 for the second notice, and \$50.00 for any subsequent notices.

2. That after the adoption and approval hereof the Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2011.

PASSED by the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2011.

APPROVED by the Mayor of the City of St. Charles, Illinois, this _____ day of _____ 2011.

Donald P. DeWitte, Mayor

Ordinance No. _____

Page 2

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

APPROVED AS TO FORM:

City Attorney

DATE: _____

City of St. Charles, Illinois
Ordinance No. _____

**An Ordinance Amending Title 13 “PUBLIC UTILITIES,”
Chapter 13.12 “Sewer,” by adding Section 13.12.786, “Disconnect Notice
Fee” to the St. Charles Municipal Code**

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, AS FOLLOWS:

1. That Title 13, “Public Utilities,” Chapter 13.12 “Sewer,” of the St. Charles Municipal Code, be and is hereby amended by adding the following therefore:

13.12.786 Disconnect Notice Fee.

If it is determined that a notice of disconnection of service shall be issued to a customer due to utility charges being over 30 days past due, a payment being returned unpaid by a bank, a deposit not being paid by the due date, and/or a violation of the terms of this Code, an additional fee (a disconnect notice fee) will be charged. This fee will escalate based on the number of disconnect notices previously issued to the customer in the last twelve months. The disconnect notice fee schedule is \$20.00 for the first notice, \$35.00 for the second notice, and \$50.00 for any subsequent notices.

2. That after the adoption and approval hereof the Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2011.

PASSED by the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2011.

APPROVED by the Mayor of the City of St. Charles, Illinois, this _____ day of _____ 2011.

Donald P. DeWitte, Mayor

Ordinance No. _____

Page 2

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

APPROVED AS TO FORM:

City Attorney

DATE: _____